

Municipality of Lakeshore - Report to Council

Chief Administrative Officer



To: Mayor & Members of Council
From: Truper McBride, Chief Administrative Officer
Date: March 16, 2021
Subject: Organizational Review

Recommendation

Approve the recommendations arising from the Organizational Review in principle; and
Direct Administration to develop an implementation plan for the recommendations, as described in the report presented at the March 23, 2021 Council meeting.

Background

The Province has provided the Municipal Modernization Program (MMP) funding to municipalities to find ways to deliver services more efficiently and effectively. Warning has been provided that provincial grants in the future may be decreased and that municipalities are to use this funding as an advance opportunity to find opportunities for cost savings. The Organizational Review was an approved project by the Province to assist Lakeshore in becoming more efficient and effective at service delivery. This funding opportunity coincided neatly with the 5 year review that was planned following the 2015 organizational review.

In addition, Council identified Organizational Excellence as a Strategic Priority Area for the 2018 – 2022 term of office. Within the Organizational Excellence Strategic Priority Area, Council further identified an Organizational Review as a project for Administration to undertake.

The Organizational Review provides Council a report on current state of the Municipal Corporation as well as recommendations for the future to modernize operations.

Comments

The current state assessment report set out to accomplish the following:

- To present the key themes derived from the analysis of data, documentation, survey responses, IT assessment, HR Review and stakeholder inputs from consultations i.e. focus groups.
- To summarize the key strengths Lakeshore can build on and opportunity areas it can focus on to improve the organization's capacity to meet the growing needs of the community.
- To identify key findings from the jurisdictional scan of comparable municipalities that inform Lakeshore on potential leading practices that it can consider for the future state.

The following strengths were highlighted for Lakeshore:

- Collegial, hardworking staff that are dedicated to the community and willing to do what it takes to get the job done with what they have;
- Senior management demonstrates a strong commitment to move the organization forward;
- Blend of long-standing staff that are knowledge resources along with newer staff that bring new perspectives and ideas;
- Starting to make investments in improving capacity and capabilities.

The following gaps and opportunities have been identified based on the current state findings of the municipal corporation:

Unclear accountabilities, roles, and responsibilities

- Roles and responsibilities are not always clearly defined or tailored for job functions;
- Customer service focus is not consistently embedded in the organization;
- Organization does not consistently nor effectively embody a performance driven culture that enforces accountability;
- Council members are committed and passionate about their positions, leading to unclear roles around governance and operational leadership activities.

Operations focused support functions

- Managers are heavily involved in service delivery which takes time away from leadership, managing people, and managing the business line;
- HR is utilized to provide a high-degree of operational support for the organization, limiting strategic HR planning for the municipality;
- IT is focused on operational maintenance of current systems versus pre-emptively determining how IT can be leveraged to optimize the functions of the organization.

Corporate Service Functional Gaps

- Lack of strategic oversight and proactive planning functions that take a holistic, long-term view of the municipality's path;
- Limited strategic communications disseminated by the municipality to create awareness, understanding and buy-in of organizational priorities and directions;
- Limited protocols on policy and by-law development that challenge capabilities to set, monitor and enforce compliance to organizational standards;
- Lack of project management functions in the organization to execute on plans that provide integrated, cross-functional oversight;
- Limited staff resource planning to align workloads with strategic objectives and expectations.

Misaligned Functions

- Many functions are operating in silos, limiting service integration management;
- Functional and support needs of the divisions are not always gathered and assessed to inform investments;
- Fire Services is not functionally aligned to its current division, creating confusion on reporting and accountability;
- Legal counsel and corporate support areas are not fully optimized to support the organization;
- Infrastructure maintenance and inspections sometimes lack coordination, challenging planning in the community.

Limited Trust

- Divided perspectives on role of Council for decision making and direction setting;
- Management and technical staff do not always feel empowered and/or trusted by senior leadership;
- Some field service areas operate separately from the broader organization;
- Cultural issues and dysfunctions in certain areas are creating segregation between management and staff, without a sense of trust between groups.

The findings above provide insights into the current state of Lakeshore Administration and the many challenges currently before the organization. The report goes into further detail on the many implications on performance, staff morale, competencies/skill sets, and the lack of capacity to be proactive on issue management.

Limited trust exists throughout the organization. Trust is a function of corporate culture which is set at the top of the organization. Council has directed Administration to undertake a culture strategy with the goal of becoming an employer of choice which will be advanced over the course of 2021.

Jurisdictional Scan

The Organizational Review undertook a jurisdictional scan to compare Lakeshore to similar municipalities to identify trends. As discussed in the context of the Service Delivery Review, Lakeshore is a rather unique municipality with a large urban population and large rural land mass. As a result, direct comparisons are difficult. That said, the following observations trends have been identified from other municipalities which are applicable to Lakeshore:

- Senior management roles oversee a portfolio of interrelated functions and provide strategic leadership for the organization;
- Trusting relationships with the Council have been established through relationship management with leadership and providing reliable and objective information for decision making;
- Setting an example to promote innovation in the municipality by modernizing the organization's technology infrastructure and encouraging team empowerment for idea generation;
- Creating a working environment conducive to attracting and retaining good talent such as technology, performance-based culture, learning and growth, and openness to change;

- Working with their peers to increase IM/IT capabilities and safeguards on technology infrastructure (e.g. sharing resources, preventing cyber attacks, etc.);
- High engagement with staff for major change initiatives to gather their input and establish buy-in that will inform the change management plan and support implementation success.

Future State Recommendations

To be able to build on the existing strengths of the Municipality, and address opportunities for improvement, the following recommendations have been made. Note that many of the recommendations are interdependent with each other, meaning that success in one area will likely contribute to success in others.

1. Build a performance driven and customer service culture

- Strengthen accountability throughout the organization;
- Enhance analytical capabilities to derive and apply organizational insights;
- Establish processes to effectively respond to community that instill customer service.

2. Clearly define and embed strategic priorities

- Implement processes to clearly define, communicate and coordinate strategic priorities;
- Build capacity to prioritize and manage risks.

3. Create empowering working relationships

- Elevate strategic focus of senior leadership team and Council to encourage operational autonomy;
- Establish well-defined, evidence-based reporting and decision-making processes for Council.

4. Organize portfolios with aligned functions

- Realign the organization to enable improved functional integration and focus on work directly related to strategic priorities.

The Organizational Review report provides further detailed recommendations on how to advance all of the future state recommendations. Executing these recommendations will

require significant amounts of staff time which are presently strained attempting to manage a series of competing and changing priorities of Council. Administration endorses these recommendations and believes them to be critical in order to improve how services are delivered internally and externally at Lakeshore.

Next Steps

Administration will be putting together an Implementation and Change Management Plan to action the recommendations in the Organization Review. A new organizational structure is being finalized to create an environment for more effective and efficient service delivery which will be before Council to receive in Q2. The Organizational Structure will have a ten year high level staffing plan that identifies where new positions will need to be added and an introduction of the first phase of implementation to enhance service delivery later this year.

The implementation of the first phase of the organizational structure will not include a request for additional staffing resources. Future staffing requests will remain part of the annual budgeting processes and be brought forward as needs are identified, at which time a case will be developed in support of the resourcing.

Council has tasked the Chief Administrative Officer with turning around Lakeshore's culture. Changing a long standing and embedded corporate culture takes time and requires the culture to be reflected at the very top of the organization in order for it to be effective and begin to change. At present, Council has a number of competing and evolving priorities which have resulted in much slower progress and a lack of time to focus on culture improvement.

Financial Impacts

The organizational review was funded from the Province's Municipal Modernization Fund. Any financial implications associated with the implementation review will be brought forward through the annual budget process.

Report Approval Details

Document Title:	Organizational Review.docx
Attachments:	
Final Approval Date:	Mar 18, 2021

This report and all of its attachments were approved and signed as outlined below:

Rosanna Pellerito

Kristen Newman